

STATE OF SOUTH CAROLINA**(Caption of Case)****Application of Piedmont Natural Gas Company, Inc.
for Approval of GCRM-126****BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA****COVER SHEET****DOCKET****NUMBER: 2006 - 401 - G****(Please type or print)****Submitted by:** Scott Tyler**SC Bar Number:** 12037**Address:** Moore & Van Allen**Telephone:** 704-331-2463100 N. Tryon Street, Suite 4700**Fax:** 704-378-1963Charlotte, NC 28202-4003**Other:** _____**Email:** scotttyler@mvalaw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)☐ **Emergency Relief demanded in petition**☐ **Request for item to be placed on Commission's Agenda expeditiously**☒ **Other: GCRM-126 Application**

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

January 16, 2009

VIA ELECTRONIC FILING

Mr. Charles Terreni
Chief Clerk Administrator
The Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

Scott M. Tyler
Attorney at Law

T 704 331 2463
F 704 378 1963
scotttyler@mvalaw.com

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

Also Admitted in SC

Re: GCRM-126, Docket No. 2006-401-G

Dear Mr. Terreni:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-126.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels well below the \$7.75 commodity cost of gas reflected in Piedmont's rates. Based on this differential, Piedmont is at substantial risk of a serious overcollection of its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not decreased to \$6.50 per dekatherm as proposed herein. The relief requested herein will avoid such overcollection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.12770/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and a decrease of \$0.00270/therm for transportation rate schedules (213 and 214). Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in February, 2009.

If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

s/ Scott M. Tyler
Scott M. Tyler

Enclosures

c: Mr. David Carpenter
Ms. Pia Powers
Mr. Jim Jeffries
Office of Regulatory Staff (via email and 5 copies via overnight delivery)

RATES AND CHARGES

SOUTH CAROLINA RATES AND CHARGES

Residential

Residential Service - Value Rate 201

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.09058
April - October	\$ 8.00	April - October	\$ 1.04376

Residential Service - Standard Rate 221

Monthly Charge -		Rate Per Therm -	
November - March	\$ 10.00	November - March	\$ 1.31715
April - October	\$ 8.00	April - October	\$ 1.32734

Outdoor Gaslight Service - Rate 205

Monthly Charge -	\$ 15.00
------------------	----------

SOUTH CAROLINA RATES AND CHARGES

Commercial

Small General Service - Standard Rate 202

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 1.22149
		April - October	\$ 1.18116

Small General Service - Value Rate 232

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	First 2,000 \$ 1.15203
			Over 2,000 \$ 1.11810
		April - October	First 2,000 \$ 1.04353
			Over 2,000 \$ 1.01250

Medium General Service - Standard Rate 252

Monthly Charge -	\$ 75.00	Rate Per Therm -	
		November - March	\$ 1.19368
		April - October	\$ 1.14159

Medium General Service - Value Rate 262

Monthly Charge -	\$ 75.00	Rate Per Therm -	
		November - March	First 5,000 \$ 1.11309
			Over 5,000 \$ 1.07470
		April - October	First 5,000 \$ 1.00881
			Over 5,000 \$ 0.98083

Small General Service - Motor Fuel Rate 242

Monthly Charge -	\$ 22.00	Rate Per Therm -	
		November - March	\$ 0.92385
		April - October	\$ 0.93843

SOUTH CAROLINA RATES AND CHARGES

Industrial

Large General Sales Service - Rate 203

Monthly Charge -	\$ 250.00
Demand Charge (monthly per peak day therm usage) -	\$ 1.90000
Rate Per Therm -	

November - March

First 15,000	\$ 0.95402
Next 15,000	\$ 0.87991
Next 75,000	\$ 0.84342
Next 165,000	\$ 0.74793
Next 330,000	\$ 0.69261
Over 600,000	\$ 0.66404

April - October

First 15,000	\$ 0.85082
Next 15,000	\$ 0.80234
Next 75,000	\$ 0.81766
Next 165,000	\$ 0.72936
Next 330,000	\$ 0.68761
Over 600,000	\$ 0.66404

Interruptible Sales Service - Rate 204

Monthly Charge -	\$ 250.00
Rate Per Therm -	

November - March

First 15,000	\$ 1.04680
Next 15,000	\$ 0.97634
Next 75,000	\$ 0.92741
Next 165,000	\$ 0.95623
Next 330,000	\$ 0.79105
Over 600,000	\$ 0.70404

April - October

First 15,000	\$ 0.86842
Next 15,000	\$ 0.81932
Next 75,000	\$ 0.79271
Next 165,000	\$ 0.76203
Next 330,000	\$ 0.70261
Over 600,000	\$ 0.67404

Large General Transportation Service - Rate 213

Monthly Charge -	\$ 250.00
Demand Charge (monthly per peak day therm usage) -	\$ 0.60000
Standby Sales Service Charge (monthly per peak day therm usage) -	\$ 1.30000
Rate Per Therm -	

November - March

First 15,000	\$ 0.25795
Next 15,000	\$ 0.19052
Next 75,000	\$ 0.14409
Next 165,000	\$ 0.09793
Next 330,000	\$ 0.04261
Over 600,000	\$ 0.01404

April - October

First 15,000	\$ 0.18920
Next 15,000	\$ 0.14029
Next 75,000	\$ 0.11534
Next 165,000	\$ 0.07660
Next 330,000	\$ 0.03761
Over 600,000	\$ 0.01404

Interruptible Transportation Service - Rate 214

Monthly Charge -	\$ 250.00
Rate Per Therm -	

November - March

First 15,000	\$ 0.25669
Next 15,000	\$ 0.18905
Next 75,000	\$ 0.13981
Next 165,000	\$ 0.09108
Next 330,000	\$ 0.04373
Over 600,000	\$ 0.01404

April - October

First 15,000	\$ 0.18750
Next 15,000	\$ 0.13729
Next 75,000	\$ 0.10576
Next 165,000	\$ 0.07422
Next 330,000	\$ 0.05796
Over 600,000	\$ 0.01404

SOUTH CAROLINA RATES AND CHARGES

Miscellaneous Fees And Charges

Schedule For Limiting And Curtailing Service - Rate 206

Emergency Service Rate Per Therm	\$ 1.00	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.
Unauthorized Over Run Penalty Per Therm	\$ 2.50	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.

Reconnect Fees

February Through August	\$ 40.00
September Through January	\$ 60.00

Returned Check Charge

Returned Check Charge	\$ 25.00
-----------------------	----------

Issued by Tom Skains, CEO & President
Issued to comply with the authority granted by
The Public Service Commission of South Carolina
GCRM-126

Issued: January 16, 2009
Effective: February 1, 2009

SCHEDULE A

Piedmont Natural Gas Company, Inc.
Purchased Gas Adjustment effective February 2009
GCRM - 126

South Carolina Rate Schedules:		1/1/2009 Current <u>Billing Rates</u>	<u>Change</u>	2/1/2009 New <u>Billing Rates</u>
201	Residential Service - Value			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.21828	(0.12770)	1.09058
	Summer (Apr.-Oct.)	1.17146	(0.12770)	1.04376
221	Residential Service - Standard			
	Monthly Charge-winter	10.00	-	10.00
	Monthly Charge-summer	8.00	-	8.00
	Winter (Nov.-Mar.)	1.44485	(0.12770)	1.31715
	Summer (Apr.-Oct.)	1.45504	(0.12770)	1.32734
205	Outdoor Gas Light Service			
	Monthly Charge	15.00	-	15.00
202	Small General Service-Standard			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	1.34919	(0.12770)	1.22149
	Summer (Apr.-Oct.)	1.30886	(0.12770)	1.18116
232	Small General Service-Value			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)			
	First 2,000	1.27973	(0.12770)	1.15203
	Over 2,000	1.24580	(0.12770)	1.11810
	Summer (Apr.-Oct.)			
	First 2,000	1.17123	(0.12770)	1.04353
	Over 2,000	1.14020	(0.12770)	1.01250
252	Medium General Service-Standard			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)	1.32138	(0.12770)	1.19368
	Summer (Apr.-Oct.)	1.26929	(0.12770)	1.14159
262	Medium General Service-Value			
	Monthly Charge	75.00	-	75.00
	Winter (Nov.-Mar.)			
	First 5,000	1.24079	(0.12770)	1.11309
	Over 5,000	1.20240	(0.12770)	1.07470
	Summer (Apr.-Oct.)			
	First 5,000	1.13651	(0.12770)	1.00881
	Over 5,000	1.10853	(0.12770)	0.98083
242	Small General Service-Motor Fuel			
	Monthly Charge	22.00	-	22.00
	Winter (Nov.-Mar.)	1.05155	(0.12770)	0.92385
	Summer (Apr.-Oct.)	1.06613	(0.12770)	0.93843

Piedmont Natural Gas Company, Inc.
Purchased Gas Adjustment effective February 2009
GCRM - 126

South Carolina		1/1/2009		2/1/2009
Rate Schedules:		Current		New
		<u>Billing Rates</u>	<u>Change</u>	<u>Billing Rates</u>
203	Large General Sales Service			
	Monthly Charge	250.00	-	250.00
	Billing Demand (therms)	1.90000	-	1.90000
	Winter (Nov.-Mar.)			
	First 15,000	1.08172	(0.12770)	0.95402
	Next 15,000	1.00761	(0.12770)	0.87991
	Next 75,000	0.97112	(0.12770)	0.84342
	Next 165,000	0.87563	(0.12770)	0.74793
	Next 330,000	0.82031	(0.12770)	0.69261
	Over 600,000	0.79174	(0.12770)	0.66404
	Summer (Apr.-Oct.)			
	First 15,000	0.97852	(0.12770)	0.85082
	Next 15,000	0.93004	(0.12770)	0.80234
	Next 75,000	0.94536	(0.12770)	0.81766
	Next 165,000	0.85706	(0.12770)	0.72936
	Next 330,000	0.81531	(0.12770)	0.68761
	Over 600,000	0.79174	(0.12770)	0.66404
204	Interruptible Sales Service			
	Monthly Charge	250.00	-	250.00
	Winter (Nov.-Mar.)			
	First 15,000	1.17450	(0.12770)	1.04680
	Next 15,000	1.10404	(0.12770)	0.97634
	Next 75,000	1.05511	(0.12770)	0.92741
	Next 165,000	1.08393	(0.12770)	0.95623
	Next 330,000	0.91875	(0.12770)	0.79105
	Over 600,000	0.83174	(0.12770)	0.70404
	Summer (Apr.-Oct.)			
	First 15,000	0.99612	(0.12770)	0.86842
	Next 15,000	0.94702	(0.12770)	0.81932
	Next 75,000	0.92041	(0.12770)	0.79271
	Next 165,000	0.88973	(0.12770)	0.76203
	Next 330,000	0.83031	(0.12770)	0.70261
	Over 600,000	0.80174	(0.12770)	0.67404

Piedmont Natural Gas Company, Inc.
Purchased Gas Adjustment effective February 2009
GCRM - 126

South Carolina Rate Schedules:		1/1/2009 Current <u>Billing Rates</u>	<u>Change</u>	2/1/2009 New <u>Billing Rates</u>
213	Large General Transportation Service			
	Monthly Charge	250.00	-	250.00
	Standby Demand	1.30000	-	1.30000
	Billing Demand (therms)	0.60000	-	0.60000
	Winter (Nov.-Mar.)			
	First 15,000	0.26065	(0.00270)	0.25795
	Next 15,000	0.19322	(0.00270)	0.19052
	Next 75,000	0.14679	(0.00270)	0.14409
	Next 165,000	0.10063	(0.00270)	0.09793
	Next 330,000	0.04531	(0.00270)	0.04261
	Over 600,000	0.01674	(0.00270)	0.01404
	Summer (Apr.-Oct.)			
	First 15,000	0.19190	(0.00270)	0.18920
	Next 15,000	0.14299	(0.00270)	0.14029
	Next 75,000	0.11804	(0.00270)	0.11534
	Next 165,000	0.07930	(0.00270)	0.07660
	Next 330,000	0.04031	(0.00270)	0.03761
	Over 600,000	0.01674	(0.00270)	0.01404
214	Interruptible Transportation Service			
	Monthly Charge	250.00	-	250.00
	Winter (Nov.-Mar.)			
	First 15,000	0.25939	(0.00270)	0.25669
	Next 15,000	0.19175	(0.00270)	0.18905
	Next 75,000	0.14251	(0.00270)	0.13981
	Next 165,000	0.09378	(0.00270)	0.09108
	Next 330,000	0.04643	(0.00270)	0.04373
	Over 600,000	0.01674	(0.00270)	0.01404
	Summer (Apr.-Oct.)			
	First 15,000	0.19020	(0.00270)	0.18750
	Next 15,000	0.13999	(0.00270)	0.13729
	Next 75,000	0.10846	(0.00270)	0.10576
	Next 165,000	0.07692	(0.00270)	0.07422
	Next 330,000	0.06066	(0.00270)	0.05796
	Over 600,000	0.01674	(0.00270)	0.01404

SCHEDULE B

Piedmont Natural Gas Company, Inc.
South Carolina
Commodity Cost of Gas Calculation
GCRM - 126

	Docket 2005-125-G Settlement Approved on 10/14/2008 <u>DT's</u>	Proposed Benchmark <u>Rate</u>	<u>Total</u>
Sales	14,409,572	\$ 6.50	\$ 93,662,218
Transportation	5,034,026		
Total Throughput	19,443,598		
LAUF %	2.16%		
Company Use & Lost And Unacct For	419,982	\$ 6.50	\$ 2,729,881
Total Throughput			19,443,598
Calculated Rate in DT - LAUF			0.1404
Proposed Sales Commodity Rate in DT			\$ 6.6404
Proposed Sales Commodity Rate in Therms			\$ 0.66404
Current Sales Commodity Rate in Therms			\$ 0.79174
Adjustment to Sales Commodity Rate			\$ (0.12770)
Proposed Transportation Commodity Rate Adjustment in DT			\$ 0.1404
Proposed Transportation Commodity Rate Adjustment in Therms			\$ 0.01404
Current Transportation Commodity Rate in Therms			\$ 0.01674
Adjustment to Transportation Commodity Rate			\$ (0.00270)
Current Benchmark			\$ 7.75
Proposed Benchmark			\$ 6.50
Difference			\$ (1.25)

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

Pia Powers, being duly sworn, deposes and says that she is Manager – Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

Pia Powers

Pia Powers

Mecklenburg County, North Carolina

Signed and sworn to before me this day by Pia Powers.

Date: 1/14/2009

Sandra K. Hammond
Sandra K. Hammond, Notary Public

(Official Seal)

My commission expires: August 4, 2013

